

G K B OPHTHALMICS PRODUCTS [FZE]
(LIMITED LIABILITY ESTABLISHMENT)
SHARJAH - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS
31st DECEMBER, 2017

TABLE OF CONTENTS

	<u>Pages</u>
1 AUDITORS REPORT	1-2
2 BALANCE SHEET	3
3 PROFIT AND LOSS ACCOUNT	4
4 STATEMENT OF CHANGES IN EQUITY	5
5 STATEMENT OF CASH FLOW	6
6 NOTES TO THE FINANCIAL STATEMENTS	7-13

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الإمارات العربية المتحدة
هاتف : ٠٦-٥٧٢٤٩٨١
فاكس : ٠٦-٥٧٢٦٩٨٤

Page # 01

Independent Auditors' Report

To
The Proprietor
GKB Ophthalmics Products (FZE)
Sharjah – United Arab Emirates.

We have audited the accompanying financial statements of **GKB Ophthalmics Products (FZE)**, which comprise the balance sheet as at December 31, 2017 and the statements of income and statement of changes in equity ,cash flow statement for the year ended 31stDecember, 2017 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard of Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Independent Auditor Report continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the establishment as of December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and comply with the Saif Zone Authority requirements.

SHARJAH: 17th May, 2018
UNITED ARAB EMIRATES



Khalil Al Rahman
Registration No. 194

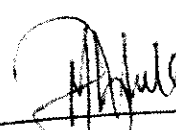


G K B OPHTHALMICS PRODUCTS (FZE)
SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)

BALANCE SHEET AS AT 31st DECEMBER, 2017
(Amount expressed in United Arab Emirates Dirhams)

	NOTE	31-12-2017 AED	31-12-2016 AED
<u>EMPLOYMENT OF CAPITAL</u>			
<u>CURRENT ASSETS</u>			
Inventory		5,695,536	4,185,150
Trade Debtors	4	9,454,707	6,096,363
Advances, Deposits, Prepayments	5	249,770	139,414
Cash and Bank Balances	6	850,857	952,336
Due from related Party	7	1,111,082	1,111,082
Investment	8	110,194	110,194
Total Current Assets		<u>17,472,146</u>	<u>12,594,539</u>
<u>CURRENT LIABILITIES</u>			
Trade Creditors		7,296,270	3,202,278
Other Payables , Accruals	9	153,429	97,409
Dividend payable	10	367,300	367,300
Total Current Lialities		<u>7,816,999</u>	<u>3,666,987</u>
NET CURRENT ASSETS			
		9,655,147	8,927,552
PROPERTY ,PLANT & EQUIPMENT			
	2(l)&11	138,127	77,952
		<u>9,793,274</u>	<u>9,005,504</u>
<u>NON CURRENT LIABILITY</u>			
Employees gratuity provision	2(h)	104,999	73,879
TOTAL ASSETS		<u>9,688,275</u>	<u>8,931,625</u>
<u>REPRESENTED BY</u>			
Capital	12	150,000	150,000
Profit and loss account		9,538,275	8,781,625
		<u>9,688,275</u>	<u>8,931,625</u>

- 1 The attached notes on pages (7) to (13) form an integral part of these Financial Statements.
2 Auditors report is set out on page (1-2).



MARUTI NAIK
General Manager

G K B OPHTHALMICS PRODUCTS (FZE)
SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR
31st DECEMBER, 2017

(Amount expressed in United Arab Emirates Dirhams)

	NOTE	Year ended 31-12-2017 AED	Year ended 31-12-2016 AED
Net Sales		21,002,977	15,150,184
Less - Cost of Sales	13	18,453,474	12,987,583
Gross Profit		2,549,503	2,162,601
Deduct -			
General , Selling and Administrative Expenses	14	1,405,842	1,155,283
Financial charges		13,782	10,412
Depreciation		44,721	40,030
Total operating expenses		1,464,345	1,205,725
Net profit		1,085,158	956,876
Other income		38,792	58,197
Net Profit for the Year		1,123,950	1,015,073
Less :proposed dividend		(367,300)	(367,300)
		756,650	647,773
Add: Retained earnings brought forward		8,781,625	8,133,852
Retained Earnings Carried Forward		9,538,275	8,781,625

- 1 The attached notes on pages (7) to (13) form an integral part of these Financial Statements.
2 Auditors Report is set out on page (1-2).




MARUTI NAIK
General Manager

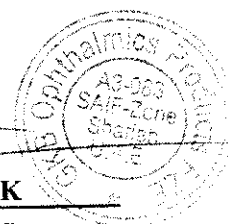
GKB OPHTHALMICS PRODUCTS (FZE)
SHARJAH-UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)
STATEMENT OF CHANGES IN EQUITY AS AT 31st DECEMBER, 2017

	Share Capital	Retained Earnings	Total
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Balance as at December 31, 2015	150,000	8,133,852	8,283,852
Net Profit for the year		1,015,073	1,015,073
Dividend for the year		(367,300)	(367,300)
Balance as at December 31, 2016	150,000	8,781,625	8,931,625
Net Profit for the year		1,123,950	1,123,950
Dividend for the year		(367,300)	(367,300)
Balance as at December 31, 2017	150,000	9,538,275	9,688,275

1. The accompanying notes form an integral part of these financial Statements
2. The Report of the Auditors is set out on page (1-2)



MARUTI NAIK
General Manager



SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Year ended 31-12-2017	Year ended 31-12-2016
	AED	AED
<u>Cash Flow from operating activities</u>		
Net profit for the year	1,123,950	1,015,073
Add: Items not involving movement of cash		
Depreciation	44,721	40,030
Gratuity provision	31,120	29,531
Operating profit before working capital changes	1,199,791	1,084,634
<u>(Increase) / Decrease in operating assets</u>		
Inventory	(1,510,386)	(920,302)
Trade Debtors	(3,358,344)	(2,698,173)
Advances, Deposit & Prepayments	(110,356)	(13,245)
Due from related Party	-	174,468
<u>Increase / (Decrease) in operating liabilities</u>		
Trade Creditors	4,093,992	2,565,302
Provisions & accruals	56,020	62,567
Net cash flow from operating activities (A)	370,717	255,251
<u>Cash Flow from investing activities</u>		
Purchase of property, plant & equipment	(104,896)	(14,413)
Purchase of Shares(Lensco)	-	(110,194)
Cash Flow used for investing activities (B)	(104,896)	(124,607)
<u>Cash Flow From Financing Activities</u>		
Movement in dividend account	(367,300)	(367,300)
Cash flow used in financing activities (C)	(367,300)	(367,300)
Net increase (decrease) in cash & cash equivalent (A-B+C)	(101,479)	(236,656)
Cash and cash equivalent at the beginning of the year	952,336	1,188,992
Cash and cash equivalent at December 31,2017	850,857	952,336

Represented by:

Cash in hand	19,073	8,509
Cash at bank	831,784	943,827
	<u>850,857</u>	<u>952,336</u>




MARUTI NAIK
General Manager

G K B OPHTHALMICS PRODUCTS (FZE)**SHARJAH - UNITED ARAB EMIRATES**
(LIMITED LIABILITY ESTABLISHMENT)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**
ENDED 31ST DECEMBER, 2017**1. STATUS AND PRINCIPAL ACTIVITIES**

GKB OPHTHALMICS PRODUCTS (FZE) is a Limited Liability Establishment incorporated on 29th February 2004 and Licensed at Sharjah International Airport Free Zone (Saif Zone) Sharjah, Pursuant to Emiri Decree No.2 of 1995.

The principal activities of the Establishment are import / export and distribution of Optical products.

- 1.1 The registered office of the establishment is 250 M2 warehouse A3- 083 Saif Zone P.O.Box 9089, Sharjah, United Arab Emirates .
- 1.2 The establishment is managed by Mr. Gaurav Gupta.
- 1.3 These financial statements incorporate the operating results of trade licence No.02142

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) . and applicable requirements of U.A.E.Law. A summary of significant accounting policies which have been applied consistently . are set out below.

a) Accounting convention


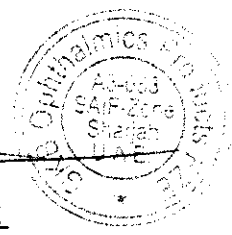
These financial statements have been prepared under the historical cost convention.

b) Associated Companies

Associated companies are those companies in which the group holds a long term interest, has representation on the board of directors and is in a position to exercise significant influence in their management over their financial and operating policies.

c) Revenue recognition

Income is recognised when invoices are raised and acknowledged by the customers.



MARUTINAİK
General Manager

GKB OPHTHALMICS PRODUCTS (FZE)
SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2017

(d) Financial expenses

Financial expenses, if any are accounted for in the statement of income in the period in which these are incurred.

(e) Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses, if any, arising are included in the statement of income .

(f) Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provision to the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial assets , or to exchange financial instrument under conditions that are potentially unfavourable.

(g) Provisions

Provisions are recognised when the company has a present obligation as a result of a past event . which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

(h) Employees' Terminal Benefits

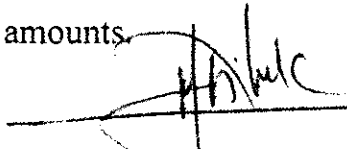
The company provides for employees end of service benefits to its employees in compliance with UAE Labour Law. The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period.

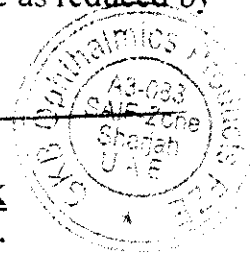
(i) Inventory

Stocks are stated at the lower of cost and net realisable value using the FIFO pricing method. Cost comprises direct material and ,where applicable ,direct labour costs and the overheads that have been incurred in bringing the stock to their present location and condition. Net realisable value represents the estimated selling prices less estimated costs to completion and cost to disposable.

(j) Trade Receivables

Sales made on credit are included in Trade receivables at the balance due as reduced by appropriate allowances for estimated doubtful amounts.


MARUTI NAIK
General Manager



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2017

(k) Trade payables

Trade payables are stated at their nominal value, which are the fair values of the consideration to be paid in the future for the goods and services received.

(l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable costs of bringing the assets to its working condition. The cost of property, plant and equipment is depreciated using the straight line method over their estimated useful economic lives as follows:

	<u>Rate %</u>	<u>Basis</u>
Furniture and Fixtures	15%	On Straight Line Method
Office Equipments	20%	On Straight Line Method
Computers / Air conditioners	20%	On Straight Line Method
Motor Vehicle	20%	On Straight Line Method

(m) Impairment of assets

Property, plant and equipment are reviewed for impairment, whenever events may change or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where the carrying amount of an assets exceeds its recoverable amount, an impairment loss is recognised in the statement of income.

3. Other significant disclosures

Related Party Transactions

The company has entered into the following trade transactions with other companies/ persons that fall within the definition of related party as contained in International Financial Reporting Standards(IFRS).

<u>Name of related party</u>	<u>Nature of Transaction</u>	<u>Amount of Transaction</u> <u>AED</u>	<u>Balance Outstanding</u> <u>AED</u>
1. GKB Ophthalmics Limited	Purchase	1,054,493 Dr.	359,439 Cr.
"	Sale	61,047 Dr.	62,449 Dr.
2. GKB Vision Limited	Purchase	6,126,420 Dr.	3,165,126 Cr.
"	Sale	Nil	Nil
3. Key Management Personnel	Salaries & Allowances	214,200	


MARUTI NAIK
 General Manager



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
YEAR ENDED 31ST DECEMBER, 2017

	<u>31-12-2017</u>	<u>31-12-2016</u>
	<u>AED</u>	<u>AED</u>
4. <u>TRADE DEBTORS</u>	9,454,707	6,096,363
Trade debtors		
<u>Aging analysis</u>	<u>AED</u>	<u>AED</u>
Upto 6 months	6,459,101	4,566,513
Above 6 months and less than one year	1,883,885	1,354,935
Above one year	1,111,721	174,915
	<u>9,454,707</u>	<u>6,096,363</u>
	<u>Year ended</u>	<u>Year ended</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	<u>AED</u>	<u>AED</u>
5. <u>ADVANCES, DEPOSITS, PREPAYMENTS</u>		
ADVANCES- STAFF	10,124	1,845
DEPOSITS - Etisalat	95,271	63,391
-Visa, Immigration & other Authorities		
PREPAYMENTS -Office / ware house rent, other expenses	144,375	74,178
	<u>249,770</u>	<u>139,414</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	<u>AED</u>	<u>AED</u>
6. <u>CASH AND BANK BALANCES</u>		
Cash in Hand	19,073	8,509
Cash at Banks - on Current account	831,784	943,827
	<u>850,857</u>	<u>952,336</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	<u>AED</u>	<u>AED</u>
7. <u>DUE FROM RELATED PARTY-(LOAN TO M/S LENSCO - USA)</u>		
<u>Opening Balance at 1st Jan*</u>	1,285,550	1,285,550
14th March, 2015 loan granted to Lensco - USA (US\$350,000/-)		
12th March, 2016 Loan repayment 1st Installment (US\$ 8,750/-)	(32,139)	(32,139)
16th June, 2016 Loan repayment 2nd Installment (US\$ 8,750/-)	(32,135)	(32,135)
Investment in Lensco - USA against purchase of Shares(US\$30,000)	(110,194)	(110,194)
	<u>1,111,082</u>	<u>1,111,082</u>

Repayment schedule and interest rate of the loan are as follows:

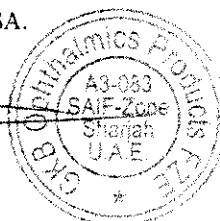
- 1) Loan term - 10 years from First repayment of the loan i.e. 31st March, 2016
- 2) Interest rate - 6%
- 3) Repayment schedule - quarterly repayment along with principal amount and interest.

Upto Dec 31st, 2017 only 2 repayment have been received for the period ended June 30th, 2016.

8. INVESTMENT - AED 110,194/-

* During Year 2016 USD 30,000 equivalent to AED 110,194/- of above loan amount has been utilised for the purchase of Shares of M/S Lensco - USA.


MARUTI NAIK
 General Manager



GKB OPHTHALMICS PRODUCTS (FZE)**SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2017**

	31-12-2017	31-12-2016
	<u>AED</u>	<u>AED</u>
9 OTHER PAYABLES, ACCRUALS		
Sales commission	34,065	14,962
Staff salary	23,101	14,521
GKB Vision FZC Warehouse Rent	75,483	59,671
Others	20,780	8,255
	<u>153,429</u>	<u>97,409</u>

	31-12-2017	31-12-2016
	<u>AED</u>	<u>AED</u>
10. DIVIDEND PAYABLE		
Opening balance at 1st January 2017	367,300	367,300
Dividend for the current period	367,300	367,300
	<u>734,600</u>	<u>734,600</u>
Less: paid	(367,300)	(367,300)
Dividend payable- at period end	<u>367,300</u>	<u>367,300</u>

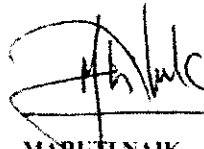
11. PROPERTY, PLANT & EQUIPMENT


	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
<u>C O S T</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
At 1st January, 2017	67,914	87,478	215,100	370,492
Additions	3,865	8,032	92,999	104,896
Deletion	(7,785)	(29,031)	(57,100)	(93,916)
At 31st December, 2017	<u>63,994</u>	<u>66,479</u>	<u>250,999</u>	<u>381,472</u>
DEPRECIATION				
At 1st January 2017	62,395	54,545	175,600	292,540
For the year	1,745	9,051	33,925	44,721
On deletion	(7,785)	(29,031)	(57,100)	(93,916)
At 31st December, 2017	<u>56,355</u>	<u>34,565</u>	<u>152,425</u>	<u>243,345</u>
WRITTEN DOWN VALUE				
At 31st December, 2017	<u>7,639</u>	<u>31,914</u>	<u>98,574</u>	<u>138,127</u>
At 31st December, 2016	<u>5,519</u>	<u>32,933</u>	<u>39,500</u>	<u>77,952</u>

12. CAPITAL

The capital of the Company consists of one share of the nominal value of AED.150,000/-.

The capital has been fully paid in cash and is in the name of **M/S GKB OPHTHALMICS Limited**, registered in India.


MARUTINAIK
 General Manager



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2017

	Year ended 31-12-2017	Year ended 31-12-2016
	<u>AED</u>	<u>AED</u>
13 <u>COST OF SALES</u>		
Opening stock	4,185,150	3,264,848
Purchases & direct expenses	19,963,860	13,907,885
	24,149,010	17,172,733
Less -closing stock	(5,695,536)	(4,185,150)
	18,453,474	12,987,583
	<u>Year ended</u> <u>31-12-2017</u>	<u>Year ended</u> <u>31-12-2016</u>
	<u>AED</u>	<u>AED</u>
14. <u>GENERAL, SELLING & ADMINISTRATIVE EXPENSES</u>		
Staff salaries and benefits	428,099	353,110
Rent - Office /warehouse	256,352	128,671
Rent - Staff Accommodation	83,086	74,854
Electricity and water	43,439	35,828
Telephone / Fax	26,400	22,046
Insurance	26,800	25,044
Chamber / Trade license Fee/Taxes/ Immigration	10,417	9,015
Air fare / Travelling	28,824	26,089
Leave travel allowance	29,060	26,530
Travelling & conveyance	8,914	6,363
Printing and Stationery	3,499	4,373
Entertainment	9,603	8,958
Visa expenses	12,224	9,290
Legal and Professional Charges	4,500	4,500
Misc. Expenses [14.1]	182,106	88,940
Repairs & Maintanance	8,420	7,970
Sales Commission / Discount	155,471	92,294
Stock items written off	-	18,500
Bad debts	24,036	119,352
Vehicle expenses	31,920	27,412
Exhibition expenses	184	35,195
Staff gratuity provision	31,120	29,531
Medical	1,368	1,418
	1,405,842	1,155,283

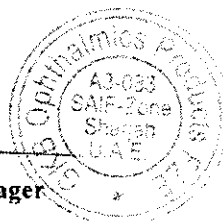
14.1 Miscellaneous expenses

The following major expenses are included in the miscellaneous expenses account:

	<u>AED</u>	<u>AED</u>
Staff Vehicle driving fees	2,900	4,915
Staff welfare expenses	3,254	2,516
Child allowance to General Manager	42,000	42,000
General Service fees by Saif Zone	18,288	-
Lenso USA Visit Expenses	56,646	-
	123,088	49,431
Other miscellaneous expenses	59,018	39,509
	182,106	88,940

Other miscellaneous expenses


MAURATI NAIK- General Manager



G K B OPHTHALMICS PRODUCTS (FZE)
SHARJAH - UNITED ARAB EMIRATES
(LIMITED LIABILITY ESTABLISHMENT)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st DECEMBER , 2017

14.2 As per agreement made on 26th May 2016 between GKB Ophthalmics (FZE) and GKB Vision (FZC), the rent expenses AED 88,427/- of GKB Vision for the Year 2017 have been absorbed by GKB Ophthalmics (FZE).

15. Financial instruments

Financial instruments of the company comprise of cash at bank, Trade receivables and other assets. Trade payables, and other liabilities.

Credit risk

Financial assets which potentially expose the company to concentration of credit risk comprise principally of bank accounts , trade receivables and other receivables. The company's bank accounts are placed with high credit quality financial institution.

Currency risk

there are no significant exchange risks as substantially all financial assets and financial liabilities are dollar denominated in Arab Emirates Dirham or US dollars to which the conversion of Dirham into US Dollars is fixed.

Interest rate risk

The company is not exposed to any significant interest rate risk.

Fair value

At the balance sheet date, the fair values of the financial assets and financial liabilities at the period end approximate to their carrying amount.

16 Contingent liability and capital commitment

Except for the on going business obligations which are under normal course of business against which no loss is expected, there have been no other known contingent liabilities or capital commitment of company's account as of balance sheet date.

17. ROUNDING OFF

Figures in these financial statements have been rounded off to the nearest U.A.E. Dirham .

18. COMPARATIVE AMOUNTS

Previous year's comparative amounts have been re-arranged or reclassified wherever necessary to conform to the current period presentation.


MARUTI NAIK
 General Manager

